

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 11

500 Madison Manalapan LLC,

Case No.

Debtor.
-----X

**DECLARATION OF SHLOMO KOLODNEY PURSUANT
TO LOCAL BANKRUPTCY RULE 1007-4**

Shlomo Kolodney declares the following under penalties of perjury pursuant to 28 U.S.C. §1967:

1. I am the non-member manager of 500 Madison Manalapan LLC (the “Debtor”), and as such, I am fully familiar with the facts and circumstances set forth herein. I respectfully submit this Declaration pursuant to Local Rule 1007-4 in support of the Debtor’s filing of a voluntary petition under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

2. The Debtor is the purchaser under a contract of sale, dated as of April 1, 2022 (the “Contract”), to purchase certain vacant land located at 500 Madison Avenue, Manalapan, New Jersey (the “Property”) from J&J Commercial & Industrial Properties, LLC (the “Seller”) for a total purchase price of \$5.35 million including a deposit of \$500,000 (the “Deposit”).

3. The Property is being purchased for development as a commercial warehouse and significant due diligence and preliminary planning has been conducted in anticipation of closing.

4. The time to close on the Contract and currently expires today, July 14, 2022 at 2:00 p.m. (time of the essence).

5. The Debtor remains committed to close and requested a first extension of a few weeks’ time to close in order to complete financing. Incredibly, the Seller has refused this

extension for arbitrary reasons. The Debtor does not want to forfeit its rights, and, thus, the Debtor is now compelled to seek Chapter 11 relief to preserve the status quo.

6. The Debtor believes and understand that the bankruptcy filing will gain the necessary additional time of sixty (60) days to close, as provided under 11 U.S.C. §108(b). Withing the next sixty (60) days, if not sooner, the Debtor has every intention to close and obtain the benefit of the Contract.

7. The Chapter 11 filing constitutes a proper use of the Bankruptcy Code. *See, In re Walden Ridge Development LLC*, 292 B.R. 58 (Bankr. N.J. 2003); *In re New Breed Realty Enterprises, Inc*, 278 B.R. 314 (Bankr. E.D.N.Y. 2002); and *In re Empire Equities Capital Corp.*, 405 B.R. 687 (Bqnkr. S.D.N.Y. 2009), which recognize the availability of the sixty (60) day extension under 11 U.S.C. § 108(b) with respect to extending the time to close real estate contracts.

8. This Chapter 11 filing is being done on an emergency basis and will be supplemented promptly with additional schedules, statements and supporting documents.

Dated: New York, NY
July 14, 2022

/s/ Sholmo Kolodney